

HOUSE No. 2780

By Mr. Kennedy of Brockton, petition of Thomas P. Kennedy relative to audits of providers rendering services to persons eligible for MassHealth benefits. Health Care Financing.

The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

AN ACT TO STREAMLINE AUDITS OF PROVIDERS RENDERING SERVICES TO PERSONS ELIGIBLE FOR MASSHEALTH BENEFITS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 118E of the General Laws, as appearing in the 2002
2 Official Edition, is hereby amended by adding after section 52 the
3 following section:

4 Section 53. Notwithstanding the provisions of any general or
5 special law or regulation to the contrary, the authority of the office
6 of medicaid and of the division of health care finance and policy
7 to audit a provider rendering services to any person(s) eligible for
8 MassHealth benefits shall be subject to the following limitations:

9 (1) Any audit shall be concluded within four years from the
10 date a provider renders a service(s) or submits a completed cost
11 report affecting the provider's payment for a service(s), whichever
12 is earlier. An audit shall be deemed concluded by the issuance of
13 a final audit report by the agency conducting the audit.

14 (2) A provider in receipt of a final audit report within the time
15 frame specified in subsection (1) may serve on the agency issuing
16 said final audit report a Notice of Objection to Audit Findings.
17 Said Notice of Objection to Audit Findings shall specify each
18 audit finding or item with respect to which the provider objects
19 and shall be served on the agency issuing the final audit report
20 within thirty (30) days of the provider's receipt of said final audit
21 report.

22 A provider may serve a Notice of Objection to Audit Findings
23 regardless of whether any audit finding or item in a final audit
24 report has been incorporated into a rate of payment applicable to
25 the provider.

26 (3) So long as a provider has timely served a Notice of Objec-
27 tion to Audit Findings under subsection (2), the office of Med-
28 icaid shall neither directly nor indirectly recoup or recover from
29 the provider any monies relating to any finding or item in the final
30 audit report to which the Notice of Objection to Audit Findings
31 applies until the provider, if it has filed a Notice of Claim for an
32 Adjudicatory Hearing under subsection (4), has been afforded an
33 adjudicatory hearing as provided for in said subsection (4), and a
34 decision has issued following said adjudicatory hearing.

35 (4) A provider timely serving a Notice of Objection to Audit
36 Findings under subsection (2) shall be entitled to an adjudicatory
37 hearing before the division of administrative law appeals with
38 respect to any audit finding or item challenged in said Notice of
39 Objection to Audit Findings if said provider, within the thirty
40 (30) day period set forth in said subsection (2), files a Notice of
41 Claim for an Adjudicatory Hearing before said division of admin-
42 istrative law appeals to which is appended said Notice of Objec-
43 tion to Audit Findings. The division of administrative law appeals
44 shall expedite an adjudicatory hearing on any Notice of Claim for
45 an Adjudiary Hearing filed under this subsection (4) so that said
46 adjudicatory hearing and the division's decision thereon is con-
47 cluded within three (3) months of said filing. A party aggrieved
48 by a decision of the division of administrative law appeals under
49 this subsection (4) shall be entitled to seek judicial review of said
50 decision under section 14 of chapter 30A of the General Laws. A
51 provider afforded an adjudicatory hearing under this subsection
52 (4) shall not be entitled to relitigate in the context of a rate appeal
53 under section 9 of chapter 118G of the General Laws, any audit
54 finding or item set forth in the final audit report giving rise to the
55 provider's Notice of Objection to Audit Findings appended to its
56 Notice of Claim for an Adjudicatory Hearing.

57 (5) The office of medicaid and the division of health care
58 finance and policy shall not subject a provider of services to
59 duplicative audits.

60 (6) An agency issuing a final audit report under subsection (1)
61 may at any time, in writing, reverse an audit finding or item to
62 which a provider has raised objection. A final audit report issued
63 under subsection (1) may not be amended by the issuing agency to
64 add any new or additional audit finding or item unless said new
65 additional finding or item corrects a mechanical error or is neces-
66 sary to redress a provider's fraud.